



PIEDMONT NATURAL GAS

South Nashville Pipeline Project

Project Overview

In order to remain in compliance with new Federal Department of Transportation (D.O.T.) natural gas pipeline inspection and safety standards, Piedmont Natural Gas will be installing a new natural gas transmission pipeline in the southern part of Davidson County. Piedmont currently owns and operates 93 miles of natural gas transmission pipelines and more than 3,180 miles of natural gas distribution pipelines to serve approximately 165,000 customers in Nashville and surrounding counties of middle-Tennessee. When completed in late 2013, the new pipeline will be approximately 13.5 miles long and run from an existing Columbia Gulf natural gas transmission line near Shire Drive to Piedmont Natural Gas' regulator station near Chickering Road.

Federal D.O.T. Pipeline Inspection Requirements

D.O.T. prescribes how certain pipelines are to be inspected and assessed for safety and integrity and how frequently those efforts are to take place. These requirements apply to all owners and operators of natural gas pipeline systems, including natural gas utilities such as Piedmont Natural Gas. The system owner/operator is required to ensure that the affected pipeline systems can be evaluated using the assessment tools specified by D.O.T.

One of the primary assessment tools now required by D.O.T. for transmission pipelines in certain "high-concentration" areas is known as an "in-line inspection device" or ILID; this is a device that physically travels through the pipeline, gathering data and evaluating the pipeline's integrity. Not every pipeline covered by the new inspection requirements, however, is compatible with the ILID, which typically requires multiple facilities to be built along the pipeline route for its insertion and removal. In some cases, local infrastructure has "grown up" around an impacted pipeline making the use of the ILID and its accompanying facilities impractical if not impossible.

In Piedmont's case, there is a section of natural gas pipeline, located primarily in the southern portion of Nashville that is not compatible with the assessment tool required by D.O.T.; reconfiguring the existing pipeline system to meet D.O.T. requirements, including the design and construction of a new section of transmission pipeline, has therefore become necessary.



Piedmont Natural Gas
South Nashville Pipeline Project – Frequently Asked Questions

In order to remain in compliance with new Federal Department of Transportation natural gas pipeline inspection and safety standards, Piedmont Natural Gas will be installing a new pipeline in the southern part of Davidson County. In order to help determine the actual route for the new pipeline, Piedmont Natural Gas will be conducting a land survey and assessment study. Listed below are some frequently asked questions (FAQs) from property owners about the survey and assessment.

Why does Piedmont want to survey my property?

While a final route has not yet been selected, Piedmont has identified a preliminary land corridor for closer examination and assessment of environmental, construction, and engineering considerations. If you received a survey letter from Piedmont, a portion of your property falls in or along this potential corridor and a land survey will help Piedmont determine with greater precision what portion of your property, if any, would be affected.

Where is the preliminary route?

When completed in late 2013, the new pipeline will run from an existing Columbia Gulf natural gas transmission line near Shire Drive to Piedmont Natural Gas' regulator station near Chickering Road. As much as possible, Piedmont will seek to generally follow an existing TVA power line easement running between these two points in order to minimize any disruption to the public.

What is an easement or right of way?

An easement, sometimes referred to as a right of way, is a legal right of a non-owner to use a portion of the property for a specific and limited purpose. The holder of the easement retains the use of the land in perpetuity. The landowner retains ownership and use of the land, with certain limitations. If the property is sold, the rights and responsibilities under the easement pass unchanged to the new owner.

How large will the easement be if it is proposed on my property?

The survey map of your property will indicate the width and total area of the easement. The easement may vary in width due to design factors and whether it is located along the TVA right of way. Piedmont may also require temporary workspace in some areas. All temporary workspace will be returned to the landowner after construction and restoration to its original condition, or possibly better, for his or her full use.

What is the process if Piedmont requires an easement on my property?

The survey map that is created for your property will show any proposed easement location and size in relation to your property boundary. You will then be contacted by a land representative of Piedmont's to schedule an appointment to meet with you and help you understand all the proposed features of the pipeline, including alignment, underground depth, pipe size, temporary and permanent width of the easement, and any above ground equipment.

How will I be compensated for granting an easement on my property to Piedmont?

Piedmont is committed to dealing fairly with each landowner. In arriving at a fair value for an easement, Piedmont utilizes independent qualified professional consultants to assess land values fairly based upon market value principles, market values for comparable real property in the immediate area of the easement being acquired, and number of acres needed. After terms and compensation have been mutually agreed upon, an easement agreement will need to be signed by the landowner and a check will be issued within two weeks to the property owner.

What can I do on my land within the easement?

Property owners retain ownership of the property. Limitations of use will be outlined specifically in documents provided at the time of easement purchase. Property owners may not plant large trees or erect buildings within the easement. Owners may mow the easement and continue using it passively after pipeline installation.

When will construction start and how long will it last?

That still is to be determined. At this time, PNG anticipates construction would start in early 2013 and finish sometime in the Fall of 2013.

Why does Piedmont maintain clear rights of way?

Piedmont maintains clear or, unobstructed, rights of way to ensure that its operations remain as safe as possible. Piedmont must have unrestricted entry and access to all of its facilities at all times for regular maintenance or during emergency situations. A clear right of way provides easy identification and monitoring of the pipeline facilities, which is imperative in preventing third-party damage. Trees and large shrubs obstruct the view for foot patrols and aerial inspections, which are routine procedures for maintaining the rights of way. Tree roots may also create a danger to the coating that protects the pipeline from corrosion.

How does Piedmont mark its easements for identification?

Piedmont will place yellow pipeline marker posts within our easement area. The marker provides helpful information concerning the line in that location though not necessarily its exact location; pipelines seldom run in a straight line between any two markers. Line markers

also do not provide information on depth or number of lines in the area. Such information can be found by calling 811. It is against the law for any person to willfully and knowingly deface, damage, remove, or destroy any pipeline sign or right of way post.

Is this pipeline safe?

The safety of our natural gas pipeline delivery system, our customers, and our employees, is Piedmont's highest priority. Our commitment to safety begins with the design and engineering of our pipeline system, continues through the construction, testing, and inspection of the pipeline prior to being placed into service, and remains in place through 24/7, 365 day continuous monitoring and routine and periodic inspections for safety and system integrity as long as the pipeline is in service.

Who do I call to locate a pipeline or facilities on my property?

By state law you must call TN811 at least 72 hours (excluding weekends and holidays) in advance to have any underground facilities located and before you begin any digging activities within the easement area. TN811 personnel will notify the appropriate local companies responsible for locating the facilities within their area. Examples of activities requiring advanced approval are: operating any power operated excavation equipment or explosives within 100 feet of the easement area, digging across the right of way, utilizing the right of way as a logging road or loading area or operating vehicles in off-road areas across the right of way.



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Project Timeline

The design, construction, inspection and placement into service of a new natural gas pipeline is a process encompassing numerous steps and governed by both state and federal guidelines and regulations. At a high-level, the typical steps involved in the process are:

- Need assessment
- Design
- Land Surveys and assessment
- Right of way acquisition and permitting
- Construction
- Testing
- Clean-up and restoration
- Placement into service

The project schedule as currently envisioned in order to meet an in-service date prior to the end of calendar year 2013 is:

February, 2012 through December, 2012 - - Land surveys; right-of-way acquisition; permitting.

February, 2013 through December, 2013 - - Construction (Sequentially): right-of-way clearing; erosion control; ditching; pipe installation and station construction; testing; clean-up.

December, 2013 - - Placement in service



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Project Quick Facts

- When completed, the pipeline will be approximately 13.5 miles in length, 20-inches in diameter and made of cathodically protected, high-grade steel.
- Pipeline materials, construction, and installation are tightly regulated under D.O.T. pipeline requirements and standards for system integrity and safety.
- Permitting of the project falls under state and local governmental entities.
- The projected cost of the pipeline is estimated to be approximately \$60 million.

About Piedmont Natural Gas

- Piedmont Natural Gas maintains approximately 93 miles of natural gas transmission pipeline and approximately 3,180 miles of natural gas distribution pipelines in its Nashville and middle-Tennessee market.
- Throughout the Company's three-state service area of Tennessee, North Carolina, and South Carolina, Piedmont maintains more than 2,700 miles of natural gas transmission pipelines and 21,600 miles of natural gas distribution pipelines.
- Piedmont Natural Gas provides natural gas service to approximately 165,000 customers in Metropolitan Nashville and adjacent counties.
- Piedmont has approximately 200 employees at its Nashville Resource Center.